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SUBJECT: MALDIVES: A/S BLAKE'S MEETING WITH FM SHAHEED

Classified By: A/S for SCA, Robert O. Blake, Jr., reasons 1.4 (b,d)

¶1. (C) Summary: In a September 25 meeting with SCA A/S Blake on the margins of UNGA in New York, Maldives Foreign Minister Shaheed related that Maldives would try to qualify for a Millennium Challenge Corporation (MCC) program despite MCC's focus on larger countries. Shaheed reported that in his General Assembly speech the Maldives President had announced the restoration of relations with Israel, with which it has already signed several agreements on health, education and tourism. Shaheed said that he also hoped to hold another conference on Indian Ocean security, and will host a conference of "vulnerable countries" just before the November Copenhagen meeting. Blake commended the Maldives for its independence and leadership in the region. End Summary.

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Maldives Wants MCC
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¶2. (C) Foreign Minister Shaheed related that the Maldives will submit a proposal for an MCC grant that focuses on port infrastructure development in October. Shaheed hoped that the proposal would convey that the Maldives would benefit from an MCC grant without incurring extravagant expenses. He also noted that other small island nations had qualified for MCC programs. Moreover, strengthening port infrastructure would also reinforce Indian Ocean security for international traffic, he argued. A/S Blake promised to be supportive if MCC was prepared to consider a program.

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Maldives Recognizes Israel, Works with India
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¶3. (C) Shaheed highlighted that President Nasheed pledged to "renew ties" with Israel in his September 24 UN General Assembly speech. The Maldives Defense Minister would visit Israel in October, as well as the Minister for Natural Disasters, he continued. The two countries have already signed agreements on health, education and tourism. Asked about the domestic reaction, Shaheed admitted that there has been "a lot, but not a genuine undercurrent." He believed that radical clerics ignited a reaction. Concerns about extremism also prompted the Maldives to work with India on resort security, he added.

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Focus on Climate Change
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¶4. (C) Shaheed appreciated the strong message from President Obama on climate change. He suggested that stressing positive actions, rather than "things which we should not do"

would persuade other countries to strike a more helpful stance. Blake observed that the U.S. will prioritize climate change in its discussions with India, which has recently shown a positive evolution on the issue. Shaheed agreed that India has taken a more practical position, and has started to explore collaboration with Maldives on green energy projects.

World Bank projects on "green resorts" have also begun, as well as a U.S.-funded program to provide 20 percent of the energy in three northern islands through green technology. Blake suggested that the government look into energy service companies, known as "ESCos," which design, implement and profit from projects that save energy.

¶ 15. (C) The Maldives will host a gathering of the 19-20 "most vulnerable" countries before the Copenhagen summit, Shaheed reported. The Maldives President will also travel to Delhi October 22 for a climate change conference, he added.

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Indian Ocean Security
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¶ 16. (C) Blake remarked that with the White House approval for Maldives to receive defense articles and services, the U.S. would look for ways to provide assistance to Maldives, in recognition both of the support Maldives had provided to the U.S. and the threats Maldives faces. Shaheed replied that he

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wanted to look at the broader Indian Ocean region because "if the oceans are not secure, we suffer." Blake recounted that the Coast Guard had arranged a successful port security conference in Maldives more than a year ago which was a positive base on which to build. Shaheed offered to host another, similar conference, which would build on regional cooperation on Indian Ocean security.

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Economics Also a Priority
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¶ 17. (C) Shaheed said that he hoped to finalize the TIFA and OPIC agreements when the AUSTR visits Male in October. However, he cautioned, the Maldives cannot release the text until the U.S. restores the country's GSP status. Blake advised that the U.S. Export-Import Bank might also help expand opportunities for U.S. business in Maldives.
CLINTON